

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 22, 2004

IN RE:

**PROMOTION TO INTRODUCE BELL SOUTH
INTEGRATED SOLUTIONS PROGRAM
TARIFF NUMBER 2003956**

)
)
)
)
)

**DOCKET NO.
03-00512**

ORDER APPROVING TARIFF

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller, and Director Sara Kyle of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on January 5, 2004 for consideration of Promotion Tariff 2003-956 filed on August 29, 2003 by BellSouth Telecommunications, Inc. ("BellSouth") to Introduce BellSouth Integrated Solutions Program.

Background

This Tariff offers to BellSouth customers a bundle of regulated and non-regulated¹ services for a single discounted price in conjunction with a thirty-six month contract. BellSouth has declined to offer the Tariff for resale, claiming that neither the bundle of telecommunications and non-telecommunications services nor the individual telecommunications services included therein need to be available for resale at the discounted bundled rate.

¹ The non-regulated portion of the bundle includes information services and customer premise equipment

The Consumer Advocate and Protection Division of the Tennessee Attorney General's Office (the "CAPD") filed a petition to intervene in this Docket on September 12, 2003, taking issue with BellSouth's position on its resale obligations. After several temporary suspensions, the Tariff was suspended indefinitely on November 24, 2003 to permit deliberations and a decision on the issue of federal resale requirements in TRA Docket No. 03-00442.²

January 5, 2004 Authority Conference

During the January 5, 2004 Authority Conference, the Directors addressed the position of the Federal Communications Commission ("FCC"), permitting all facilities-based carriers to offer telecommunications services bundled with enhanced, non-telecommunications services at a single price subject to existing safeguards.³ These safeguards include the obligation of incumbent local exchange carriers under 47 U.S.C.A. § 251(c)(4) to make available for resale any telecommunications service provided at retail to subscribers who are not telecommunications carriers.⁴

The Panel recognized that these bundled service offerings foster competition by giving carriers flexibility to both differentiate themselves from competitors and to target segments of the consumer market with product offerings designed to meet the needs of individual customers. The Panel also recognized that the telecommunications services included in BellSouth's bundled offering at issue in this Docket are individually available for resale under BellSouth's General Subscriber Services Tariff even though the telecommunications services are not individually available for resale at the discounted bundled rate. For these reasons, and in order to provide the

² A decision was rendered on the resale issue during the December 15, 2003 Authority Conference in Docket No. 03-00442, *In re Sprint United Tariff 2003-710 to Introduce Safe and Sound II Solution*

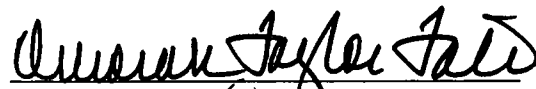
³ *In the Matter of Policy and Rules Concerning the Interstate, Interexchange Marketplace*, FCC 01-98 (Report and Order) 16 F C C R. 7418 (March 30, 2001)

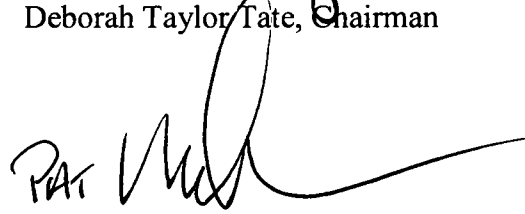
⁴ *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, FCC 96-325 (First Report and Order) 11 F C C R. 15,499, ¶ 877 (August 8, 1996).


benefits of discounted service offerings to consumers, the Panel unanimously agreed to let the Tariff go into effect, while a majority of the Panel⁵ agreed to approve the Tariff.

IT IS THEREFORE ORDERED THAT:

BellSouth Promotion Tariff 2003-956 to Introduce BellSouth Integrated Solutions Program is approved and may immediately go into effect.


Deborah Taylor Tate, Chairman


Pat Miller, Director


Sara Kyle, Director

⁵ Chairman Tate agreed that the Tariff should be allowed to go into effect, but she did not support approval of the Tariff on the same grounds articulated by the Majority